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SIPDIS

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STATE FOR INL, EAP/RSP, and EAP/CM  
JUSTICE FOR OIA, AFMLS, AND NDDES  
TREASURY FOR FINCEN  
DEA FOR OILS AND OFFICE OF DIVERSION CONTROL

E.O. 12958: N/A

TAGS: [SNAR](#) [MG](#)

SUBJECT: Mongolia INCSR: Part 1

REF: STATE 209560

¶1. The following is post's submission for Part 1 of the INCSR.

¶2. Begin text:

¶I. Summary

Drug trafficking and abuse are not widespread in Mongolia, but continue to rise and draw the attention of the government. Mongolia's young, burgeoning urban population is especially vulnerable to the growing drug trade. The government continues to implement the National Program for fighting Narcotics and Drugs adopted in March 2000. The initial five-year plan was completed in 2005, but the government has not yet decided on any changes for the next period. The National Council headed by the Chief of Police coordinates implementation of this program. The program is aimed at preventing drug addiction, drug related crimes, creating a legal basis for fighting drugs, implementing counternarcotics policy, and raising public awareness of the drug abuse issue. Mongolia is a party to the 1988 UN Drug Convention.

II. Status of Country

Mongolia's long unprotected borders with Russia and China are vulnerable to all types of illegal trade, including drug trafficking. Police believe most smuggled drugs come from China, and are carried by Mongolian citizens. Illegal migrants, mostly traveling from China through Mongolia to Russia and Europe, also sometimes transport and traffic in drugs. Police express particular concern that, if drug use in Mongolia continues to rise, organized crime involvement in the trade will grow beyond the current low levels. The government has made the protection of Mongolia's borders a priority. U.S.-sponsored projects to promote cooperation among security forces and training have provided some assistance. A lack of resources and technical capacity, along with corruption in the police forces and other parts of government, hinder Mongolia's ability to patrol its borders, detect illegal smuggling, and investigate transnational criminal cases.

III. Country Actions Against Drugs in 2006

Policy Initiatives/Law Enforcement. The Mongolian government and law-enforcement officials have increased their participation in international fora focused on crime and drug issues. Mongolia became a member of the Asia-Pacific Group (APG) on Money Laundering in 2004 and has committed to adhere to Financial Action Task Force (FATF) standards, while seeking participation and eventual membership in the FATF. The APG conducted an initial peer review of Mongolia late in 2006. Mongolia passed an anti-money laundering law in July, and began to work toward implementation.

Drug Flow/Transit. Marijuana is the most widely used illegal drug. A small amount of marijuana is grown within the country, and appears to be consumed locally. Reports indicate that the availability and use of marijuana, heroin, cocaine, amphetamines, and over-the-counter drugs have increased. However, no reliable surveys exist of drug usage, nor is there any official database of drug convictions. The Mongolian government is alert to precursor chemical production and the potential for diversion. The government has closed some facilities suspected of diverting chemicals.

Demand Reduction. Domestic, nongovernmental organizations work to fight drug addiction and the spread of narcotics abuse. International donors are working with the government to help Mongolia develop the capacity to address narcotics and related criminal activities before they become an additional burden on Mongolia's development.

Corruption. Mongolian internal corruption and related criminal activity appear unrelated to narcotics activities. An anti-corruption law was passed in July and entered into force on November 1, but a new anti-corruption agency had not yet begun operations by the end of the year. The weakness of the legal system and financial structures leaves Mongolia vulnerable to exploitation by drug traffickers and international criminal organizations, particularly those operating in China and Russia. The reopening of the North Korean Embassy in Ulaanbaatar in August 2004 also heightens concern that the North Korean Government, through its Embassy in Ulaanbaatar, may again seek (as it did in the late-1990s) to finance North Korean diplomatic and other activities through narcotics trafficking, counterfeiting or other illicit activity.

Agreements and Treaties. Mongolia is a party to the 1988 UN Drug Convention, the 1961 UN Single Convention as amended by its 1972 Protocol, and the 1971 UN Convention on Psychotropic Substances. Mongolia also is a party to the UN Convention against Corruption. The government of Mongolia attempts to meet the goals and objectives of international initiatives on drugs. The United States and Mongolia have in force a customs mutual legal assistance agreement.

#### IV. U.S. Policy Initiatives and Programs

U.S. government assistance has included international visitor programs on transnational crime and counternarcotics, as well as some training by U.S. law enforcement agencies.  
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